

STATE OF CALIFORNIA
Department of Insurance
45 Fremont Street, 24th Floor
San Francisco, CA 94105

BULLETIN NO. 02-1
February 1, 2002

TO: ALL DOMESTIC INSURERS AND RECIPROCAL STATES AND TERRITORIES

SUBJECT: TRANSACTION OF INSURANCE IN OTHER STATES AND TERRITORIES

Please take notice that, pursuant to the provisions of Section 706.7 of the California Insurance Code, printed on the reverse hereof, the following States and Territories of the United States are hereby recognized as "reciprocal States" within the meaning of said Section:

1. ALASKA (Sec. 21.69.420, Alaska Ins. Code)
2. COLORADO (Sec. 10-1-121, Colorado Ins. Code)
3. DELAWARE (Title 18, Sec. 4925, Delaware Ins. Code)
4. FLORIDA (Sec. 628.291, Florida Ins. Code)
5. HAWAII (Sec. 431:4-127, Hawaii Ins. Laws)
6. IDAHO (Sec. 41-2851, Idaho Ins. Code)
7. KANSAS (Sec. 40-214, Kansas Ins. Code)
8. LOUISIANA (Sec. 22:1251, Louisiana Ins. Code)
9. MAINE (Title 24-A, Sec. 3421, Maine Ins. Code)
10. MARYLAND (Sec. 3-128, Maryland Ins. Article)
11. MICHIGAN (Sec. 500.5208(1), Michigan Ins. Code)
12. MISSISSIPPI (Sec. 83-19-69, Mississippi Ins. Code)
13. MONTANA (Sec. 33-3-502, Montana Ins. Code)
14. NEBRASKA (Sec. 44-2501, Nebraska Ins. Code)
15. NEW HAMPSHIRE (Sec. 402-54-55, New Hampshire Ins. Code)
16. NEW MEXICO (Sec. 59A-34-33, New Mexico Ins. Laws)
17. NORTH CAROLINA (Sec. 58-14-5, North Carolina Ins. Laws)
18. NORTH DAKOTA (Sec. 26.1-05-34, North Dakota Ins. Laws)
19. OHIO (Sec. 3905.44, Ohio Ins. Code)
20. OREGON (Sec. 731.454, Oregon Ins. Code)
21. PUERTO RICO (Title 26, Sec. 2932(3), Puerto Rico Ins. Code)
22. SOUTH DAKOTA (Sec. 58-5-100, South Dakota Ins. Laws)
23. UTAH (Sec. 31A-5-602, Utah Ins. Code)
24. VIRGIN ISLANDS (Title 22, Sec. 314, Virgin Islands Code)
25. VIRGINIA (Sec. 38.2-3102, Virginia Ins. Laws [Life & Annuities only])
26. WASHINGTON (Sec. 48.07.150, Washington Ins. Code)
27. WEST VIRGINIA (Sec. 33-4-19, West Virginia Ins. Laws)
28. WYOMING (Sec. 26-24-140, Wyoming Statutes)

Please take further notice that this Department has notified the respective Insurance Commissioners, Directors or Superintendents of the above-named States and Territories that their jurisdictions constitute "reciprocal States" under the provisions of said Section, and has requested such Commissioners, Directors or Superintendents to notify this Department of any and all violations by any of our domestic insurers with respect to the above-captioned matter occurring in their respective jurisdictions.

HARRY W. LOW
Insurance Commissioner

California Insurance Code
Section 706.7

As used in this Section, the term “reciprocal State” means a State the laws of which prohibit an insurer domiciled therein from insuring the lives or persons of residents of, or property or operations located in, the State of California unless it then holds a valid and subsisting certificate of authority issued by the Insurance Commissioner of this State. Such prohibition may be subject to the exceptions herein set forth.

Subject to the exceptions herein set forth, a domestic insurer shall not enter into a contract of insurance upon the life or person of a resident of, or property or operations located in, a reciprocal State unless it is authorized pursuant to the laws of that State to transact such insurance therein. The Commissioner shall, annually, mail notice to every domestic insurer, specifying the reciprocal States.

The exceptions to the provisions of this section are the following:

- (a) Contracts entered into where the prospective insured is personally present in the State in which the insurer is authorized to transact insurance when he signs the application.
- (b) The issuance of certificates under a lawfully transacted group life or group disability policy, where the master policy was entered into in a State in which the insurer was then authorized to transact insurance.
- (c) The renewal or continuance in force, with or without modification, of contracts otherwise lawful and which were not originally executed in violation of this section.